

Exhibit A
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Assessment Collection

1. Policy.

- (a) Each owner (or "Member") in the Village at Peregrine has a duty to pay assessments to the Village at Peregrine Homeowner's Association, Inc. (the "Association" or the "HOA"), and the Association's board of directors (the "Board") has a duty to collect those assessments from all Members in the same manner. The Association cannot make exceptions from this duty, which each Member owes to the Association and to their fellow Members.
- (b) The Association cannot operate without regular payments from its Members, and it is not a lender, so it has no duty to accept or manage payment plans. As a result, each owner must fulfill his or her duty to the Association and to their fellow owners.

2. Due Date.

- (a) The Association's Annual Common Expense Assessment shall be due and payable, in full, on January 1 of each year, provided, however, that the Board shall permit payment to be made in twelve equal monthly installments due on the first day of each month, commencing January 1. The Association will post the current assessments on the website and may (but is not required) to send invoices or other statements for assessments to the Members.
- (b) Any payment which is not received by the 10th day of each month shall be considered past due and delinquent, and may be charged a late fee that is set by the Board (currently \$15.00) to compensate the Association for the additional administrative costs in processing a delinquent payment, which shall be owed by the Member for each month such assessment is not paid.

3. Proof of Payments.

- (a) Since the records of the HOA are kept in the ordinary course of business and the HOA relies upon same for the behalf of all owners, there is a presumption that those records are correct and that the assessment is valid if there is no written dispute received by the HOA within 90 days after the mailing of a billing statement.
- (b) Members are encouraged to use direct deposit of monthly assessments to avoid late fees and/or payment disputes. Arrangements should be made by contacting the Management Company.
- (c) Members who wish to dispute the amount or the validity of any assessments charged to their property must submit a statement within thirty (30) days after the mailing of a billing statement that describes all disputed monthly payments, and can request information from

(or request a hearing before) the Board, but must put that request in writing in accordance with this Section 3(c).

- (d) If a dispute statement is delivered to the Board within 90 days of the date that said payment was due, the parties will work in good faith to resolve the dispute. By way of example, if a Member produces satisfactory proof that a check was sent, but has no proof that the HOA received the check, the Board may accept that explanation and remove all late charges, in its sole discretion, provided that the Member actually delivers a replacement payment within 15 days of demand by the Board.
- (e) If the statement does not resolve the dispute, the Board may require the Member to furnish additional proof of those disputed payments that is satisfactory to the Board in its sole discretion. By way of example, if a Member insists that the HOA actually received a disputed payment, the Board may require the Member to furnish proof such as cancelled checks, receipts, or certified copies of the front and back of money orders. If that material shows that the Member paid by that method, the Member will be credited for any out-of-pocket expense that the Member incurs for same, such as a fee charged for the certified copies or cancelled checks.
- (i) The proof required in such cases may include both the month before and the month after the disputed payment. Less convincing evidence (such as carbon copies of checks) will not be acceptable, as that will not prove that the HOA deposited that payment. Members are encouraged to describe any alternative method of proof that is not described above, in order to allow the Board to determine (in advance of the meeting) whether that proof would meet the convincing evidence standard described in this Section.
- (g) All payments made to settle a dispute and **ALL** correspondence regarding payment disputes must be received by the management company in accordance with Section 8 below and must be supported by a dated receipt, signed by an officer or property manager of the Association. If payment or correspondence is delivered by any other method, the Member using that non-authorized method assumes the risk that said payment will be treated as if no payment was made.

4. Member Responsibility

- (a) Members are responsible for contacting the Association or reviewing the website to determine the amount of the assessments for properties they own in the Association, and for making arrangements for the timely delivery of all payments to the Association, whether by mail or direct deposits or automatic bill payment.
- (b) Members must notify the Association of any change in their mailing address or status (such as sale or transfer of the property they own in the Association) within 30 days of such a change.
- (c) Checks containing a restrictive endorsement on the back may be returned to the Member and the amount tendered shall be considered unpaid.

5. Payment Priority

Regardless of inscriptions or notations on the front of the check, all payments shall be applied to outstanding balances in the following order of priority:

- (a) late charges;
- (b) interest;
- (c) attorney fees and costs;
- (d) returned check charges;
- (e) past-due Special Assessments (if any);
- (f) currently due Special Assessments (if any); and
- (g) unpaid assessments beginning with the oldest unpaid assessment.

6. Returned Checks

- (a) The Association will impose an administrative fee (currently \$25.00) or other amount deemed appropriate by the Board for all returned checks. Returned check charges shall become effective on the same date any instrument is tendered to the Association for payment of sums due under its governing documents or this Policy.
- (b) If notice is sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order (and said Member) shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00.
- (c) If two or more of a Member's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Member's future payments, for a period of one year, be made by certified check or money order.

7. Delinquent Assessments

- (a) The Association may send the Member notice of delinquency (and may charge for any notices sent to the Members in connection with such delinquent assessments), but the Members are responsible for ensuring that their payments are timely and fully made, regardless of whether notice is sent.
- (b) In the Board's sole discretion, and upon at least thirty (30) days written notice to the Member, in the event at least two monthly installments are past due, the entire Annual Assessment may be accelerated so that all monthly installments for the remainder of the Assessment year are immediately due and payable.
- (c) The Association may also, at its option, deny the right to services, such as (trash or snow removal), or suspend other rights in the Association (including but not limited to voting rights and inspection of records) until all assessments and other sums are paid in full. In order to be a "member in good standing" for purposes of this Rule, and to obtain a release of liens, restoration of voting or other rights, or to terminate litigation, the delinquent Member must make payment in full of all assessments and other sums, including sums

which arise after the collection process or after the Member delivers a payment to the Association. The Association shall not be liable for any errors or omissions in any payment statement to the Member.

- (d) To the extent permitted by the governing documents of the Association, the Tenant in any rental property in the Association shall, upon written notice from the Association, pay any delinquent annual or special assessment owed by the Owner of rental property to the Association, and all payments made by the Tenant to the Association shall reduce the Tenant's obligation to make monthly rental payments to the Owner under the Lease by the same amount. Despite such payments, the Association shall not be obligated to perform or incur any obligation under the lease. If the Tenant fails to comply with the Association's written notice and to make the payments required, the Tenant shall be subject to all rights and remedies described in those governing documents.
- (e) Subject to Section 9(c) of this policy, the Association may also assign its assessment lien against the delinquent property to a third-party Assignee, without recourse or warranty of any kind. The Assignee shall assume all responsibility for the enforcement of the assigned lien and the Association shall not be liable for any actions of said assignee. Assignments shall apply only to assessments that are owed to the Association prior to the assignment, and shall not assign, release or supersede any claims or lien the Association may have for assessments accruing after said date. If an Assignee does not pay any assessments levied after the assignment, the assigned assessment lien shall be subordinate to any future assessment by the Association.
- (f) Pursuant to its governing documents, the Association may (but shall not be required) to proceed by filing litigation against any Member who has not paid his assessment, and without affecting that remedy may also file a lien against the delinquent property, which may be foreclosed as provided in those governing documents.

8. Settlement Procedure.

- (a) C.R.S. § 38-33.3-113 requires the HOA and its Members to deal with each other in good faith. As a result, any settlement of a delinquent or disputed account will require a document, signed by an officer or property manager.
- (b) If the maker of a check includes a statement on the check to the effect that the check is tendered as full satisfaction of a claim, that statement will not be proof of settlement, even if such a check is deposited, unless the deposit is personally endorsed by an officer.**
- (c) The Board believes that written responses will explain the reasons for disputes or transmit proposals more clearly and accurately than verbal communication, because there is always a risk that recollection of conversations (and even Minutes of meetings) might not accurately quote the participants or might not include everything that the participants wanted or needed to say. Therefore:

- (1) no verbal settlement or payment arrangements will be binding upon the Association until it is appropriately documented as described herein;
 - (2) the Member's position (or proposal) must be described by the Member or someone writing on behalf of the Member; and
 - (3) any agreement with or any relief granted to a Member or any waiver of any provision herein must be in writing, signed by the appropriate member of the Board, with a signed copy to the person or persons granted such relief.
- (d) The Board realizes that there may be circumstances or hardship conditions that may justify some sort of temporary accommodation, but such requests will generally require some written proof of those circumstances or hardship conditions, as well as a written plan for resolving any overdue assessment payments, such as a payment plan. By way of example, if a Member claims to have a non-apparent temporary disability the Board may require a written statement from a physician to support that claim.
- (e) Members who wish to be on a payment plan for unpaid assessments must acknowledge that the Association is not able and is not required to act as a lender, and that any payment plan must be completed in a very short time, with sufficient monthly amounts to pay both the current assessments and any past arrearage. Further, if a Member proposes such a schedule, it is crucial that the Member honor that schedule. As a result, Members must submit their proposed payment plan in writing, so there is no mistake about their proposal, and should make their first proposed payment with their written proposal.
- (f) In all such cases, the Board has final discretion to decide the parameters of an acceptable payment plan, such as waiving or reducing late fees but still requiring interest payments and a time limit for payments to be completed. Since the purpose of late fees is to reimburse the Association for intangible damages suffered by the Association and for administrative costs incurred by the Association, such as the time spent by board members dealing with arrearages, the waiver or reduction of late fees is a logical accommodation in cases where a Member promptly proposes a payment plan that saves the Association from the cost of pursuing the remedial measures described below.
- (g) Nothing in this policy shall require the Board to take specific actions at a specific time, and the Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may modify the procedures contained herein as the Association shall determine appropriate under the particular circumstances.
- (h) Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

9. Collection Action

- (a) After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Member shall be handled through the Association's

attorney. Neither the manager, if any, nor any member of the Board of Directors shall discuss the collection of the account directly with a Member after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

- (b) Once accounts are turned over to the Association's attorney, Members shall make payment to the Association at the address of the Association's attorney, and the Association shall be entitled to collect interest at the rate of 21% per annum, retroactive to the due date of such payments, as well as reasonable attorney fees, court costs, and all other expenses of collection on said delinquent payment. The reasonable attorney fees incurred by the Association shall be due and payable from the delinquent Member on the date(s) such expense(s) are incurred by the Association.
- (c) Assignments of assessment liens against the delinquent property will not include the priority lien claim described in C.R.S. § 38-33.3-316(2)(b)(1) or any comparable provision of the governing documents (commonly known as the "six month super lien amount"), in the event of a foreclosure against any Lot within the Association, because that amount will be paid by the individual(s) or entity who takes title to the Property at the conclusion of that foreclosure action.
- (d) Any sums expended by the Association for repairs or other actions needed to preserve or protect any abandoned Lot within the Association during a foreclosure against said Lot shall be additional indebtedness secured by the priority lien claim described in C.R.S. § 38-33.3-316(2)(b)(I). This lien may be foreclosed upon in the manner as provided for assessment liens in the governing documents of the Association.

10. Bankruptcy Procedure.

- (a) In any case where the HOA learns that a bankruptcy action has been filed, but is also advised that the Member intends to keep the property that is located in the Association (the "Property"), such as a Chapter 13 filing, the accounting for that Property shall thereafter be based upon the filing date of that bankruptcy action (the "Petition Date"), and the management company should create two separate ledgers for the Property:
 - (1) the first ledger (the "Pre-Petition Ledger") should show all assessments owed prior to the Petition Date; those assessments should **not be written off** because those assessments continue to be a lien against the property. In other words, even though the HOA may never be able to bring an action against the Member individually for this amount (if the Member obtains a discharge in the bankruptcy action), the HOA will be able to foreclose its lien against the Property for the full amount owed; and

(2) the second ledger (the "Post-Petition Ledger") should be entirely new, the type of ledger that would be used if a new Member purchased the property, which will:

(i) show a zero ("0.00") balance on the Petition Date;

(ii) include the monthly assessment for the month in which the bankruptcy was filed (prorated through the end of that month);

(iii) all future assessments, late charges, interest and attorney fees; and

(iv) it should refer to the Pre-Petition Ledger, in order to make certain that both ledgers are paid.

(b) This cross-reference can be a footnote (or other statement) which states:

"There is another account that shows unpaid assessments and related charges that accrued before bankruptcy, which are to be paid by the bankruptcy trustee and are still a lien against the property."

This notation will protect the HOA because it will remind the HOA (and/or the manager) to report the combined amounts of both ledgers if the HOA is ever asked for a payoff figure in the event of a future sale or loan.

(c) If the HOA sends monthly statements to its Members, and a Member who files for bankruptcy protection continues to reside in the Property after that action is filed, the Post-Petition Ledger is the statement that should be sent to the Member. If the Member makes any of the payments required by a Chapter 13 Plan, the HOA should receive monthly payments from both the debtor (for the Post-Petition Ledger) and from the bankruptcy trustee (for the Pre-Petition Ledger); any payment from the bankruptcy trustee should be applied to the Pre-Petition Ledger, while payments from the Member should be applied to the Post-Petition Ledger described above. If the Member does not make the current payments shown on the Post-Petition ledger, the Association should proceed in accordance with Section 7 of this policy.

11. Certificate of Status of Assessments.

The Association shall furnish to a Member or such Member's designee a written statement setting forth all or any portion of the amount of unpaid assessments currently levied against the delinquent Member's Lot upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent. The statement shall be delivered within 14 calendar days after actual receipt of the request. The fee for the statement shall be the higher of \$150.00 or the management company's current fee for such statements, unless the Owner's account has been turned over to the Association's attorney for collection purposes, in which case any

statement for such delinquent assessments shall be prepared by said attorney and shall include any attorney fees incurred in providing the statement. In either case, such fee shall become an assessment against that property.

12. Substantial Compliance/ Questions of Construction

Technical irregularities or procedural defects comply with this Policy shall not invalidate such action or be any defense to an consequence imposed by this Policy, which shall be liberally construed to accomplish prompt, effective enforcement of the Association's governing documents. If any doubt or questions shall arise concerning the true intent or meaning of any of the Policy, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as such determinations are not arbitrary or capricious.

Effective date January 1, 2013



Exhibit B
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Meetings

I Conducting Meetings

- (a) The meetings of the Village at Peregrine Homeowner's Association, Inc. (the "Association") shall be conducted in accordance with the governing documents of the Association, especially its Bylaws, and in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act (the "CCIOA"). In addition, all meetings may be conducted in accordance with the most recent version of *Robert's Rules of Order* at the option of the chair.
- (b) At all meetings, all Members are expected to maintain proper behavior and decorum, which requires that Members shall:
 - (i) Be respectful to others present and to the meeting process;
 - (ii) Refrain from name-calling, use of foul language, and other aggressive behavior;
 - (iii) Differentiate statements of opinion from statements of fact;
 - (iv) Speak only when acknowledged by the Chair; and
 - (v) No food or alcohol shall be brought to meetings.
- (c) The goal of this requirement is that all parties to the discussion will treat each other with respect and cordiality. No questions or accusations will be made that do not contribute positively to an understanding of the homeowner's concerns. While differences of opinion are to be expected, all parties must focus on fully understanding the issues and refrain from using language or exhibiting an attitude that attempts to intimidate or question motives.
- (d) If a member fails to observe the above standard, demonstrating inappropriate behavior which negatively impacts the Association's meeting(s), the Chair shall issue one warning to the Member. If inappropriate behavior continues, the Member may be asked to remove him- or herself from the meeting. If the Member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard; or the Chair may take other action, at the sole discretion of the Chair, including request for police assistance.

2 Member Participation at Board Meetings

- (a) Homeowners often wish to make their opinions known to the board of directors (the "Board"). This is an important part of the Board understanding process and in the best interests of the entire community. As a result, all meetings of the Board, except for the Executive Session, are open to attendance by any Member or any person designated in writing by that Member as the Member's Representative.

- (b) Any member of the Board may create agendas for Board meetings, but no agenda will be required unless requested by a member of the Board. If an agenda is created for a Board meeting, it may be posted on the website or shall otherwise be provided to any Members who request a copy.
- (c) Presentations by homeowners are encouraged. However, if the requirements of a meeting lead the Board to conclude that formal guidelines are needed, the Board may designate an appropriate period of time at the beginning of the meeting, prior to any vote by the Board, for Members in good standing or their representatives to speak on any matter, including shown on the agenda, which shall be conducted as follows:
 - (i) there will be a list at a sign in table for persons to enter their names if they wish to speak at this meeting;
 - (ii) only those persons who have entered their names on the list of speakers shall speak;
 - (iii) speakers will be called upon to speak in the same order in which they entered their names;
 - (iv) speakers will be subject to the rules of conduct described in ¶ 1(b) above;
 - (v) each person shall have three (3) minutes to speak;
 - (vi) such period shall not exceed a total of 10 minutes;
 - (vii) priority will be given to items shown on the agenda, if any; and
 - (viii) if more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue, and the President shall allocate the time permitted among the various Members or designated representatives who wish to speak.
- (d) These time limits do not include the time used for questions by the Board to ensure the issue is fully understood. This time limit may be extended upon the approval of a majority of the Board.
- (e) After the designated time, only the Directors shall participate in any deliberation or discussion of the Board unless expressly authorized by a vote of a majority of the Board.

Members in good standing who wish to discuss a certain issue, complaint, or request should submit such, in writing, at least seven days prior to the Board meeting. However, no action shall be taken upon such matters unless a motion is made stating the proposed action and is seconded by members of the Board prior to discussion; and the Board

reserves the option to respond to any new business at the next Board meeting, in order to investigate and/or obtain advice to respond to the Member.

3 Member Participation at Annual and Special Meetings of Members

- (a) The Board shall determine the agendas for the meetings, subject to any requirements in the Association's Governing Documents, and distribute such agendas with notices of the meetings. If twenty percent (20%) of the Members in good standing wish to call a special meeting, they must submit such petition, in writing, at least 30 days prior to the meeting in accordance with Section 2.6 of the Bylaws.
- (b) The President (or such other person as may be designated by the Board) shall preside over all meetings. Items of business and/or discussion must be presented by Motion and such Motion must be seconded prior to discussion.
- (c) Any Member in good standing or the designated representative of such a Member may speak at the designated time in the agenda upon any issue requiring a vote of the Members (prior to any vote). Upon being recognized, the Member must state his/her name and address.
- (d) The total length of any time for Members or designated representatives speaking on a single issue of any meeting of the Members shall not exceed the time set forth by the president at the beginning, but not exceeding a time limit of 10 minutes total, and the President shall pro-rate that time among the various Members who wish to speak.
- (e) Each member who wishes to speak will be given 5 minutes to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.
- (f) Issues that a Member wishes to discuss at the annual meeting shall be submitted to the Board in writing five days prior to that meeting. Topics presented in advance will be given priority for discussion at the annual meeting.
- (g) In any case where the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association; or the Board may adjourn to obtain a recommendation whether to proceed; such determination may be made following consultation with legal counsel.

4 Notice of Meetings

- (a) Board Meetings: Notice of Board Meetings shall be given in accordance with the Governing Documents of the Association, currently Article III of the Bylaws. Actions can be taken without a meeting in cases where prompt action is required between scheduled board meetings if a Notice stating the action to be taken and the time by which a director must respond is transmitted in writing (which may include electronic communication) to each member of the Board (director), and each director, by the time stated in the Notice either:
- (1) votes in writing for such actions; or
 - (2) votes against such action or abstaining from voting, in writing; or
 - (3) fails to respond or vote, and fails to demand that action not be taken without a meeting.
- (b) Members Meetings: Notice of Members Meetings shall also be given in accordance with the Governing Documents of the Association, currently Article III, Section 5 of the Bylaws. In addition, notice of such meetings may be given by electronic posting on the Association's web site or electronic mail notices pursuant to C.R.S. § 38-33.3-308. If a Member requests notice by e-mail only and provides an e-mail address, the Board shall make an effort to provide e-mail notice to that member.
- (c) The notice of any meeting must state the time and place of the meeting and the items on the agenda. If the meeting will include any of the following actions, the Notice, agenda or some other method (such as the website) should include:
- i. the general nature of any proposed amendment to the Declaration or Bylaws;
 - ii. any budget changes; and
 - iii. any proposal to remove an officer or member of the Board.
- (d) Notice will only be sent to Members in good standing who are entitled to vote at a meeting. If mailed, such notice shall be deemed delivered when deposited in the United States mail, addressed to each Member at such Member's address as it appears in the records of the Association, with postage thereon prepaid.
- (e) Any Member may waive notice of any meeting before, at or after such meeting. The attendance in person or by proxy of a Member at a meeting shall constitute a waiver of notice of such meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

- (f) Any notice that conforms to the above requirements is fair and reasonable, but other means of giving notice may also be fair and reasonable when all the circumstances are considered.
- (g) If an annual, regular, or special meeting of Members is adjourned to a different date, time, or place, notice need not be given of the new date, time, or place, if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or must be fixed under C.R.S. 7-127-106, however, notice of the adjourned meeting must be given under this section to the Members of record as of the new record date.
- (h) The Board may fix the record date for determining the Members entitled to notice or to vote at any Members' meeting or to exercise any rights in respect to any lawful action pursuant to C.R.S. 7-127-106 or otherwise. Such record date may not be more than seventy (70) days before the meeting or action requiring a determination of members occurs. Unless otherwise directed by the Board, the Association shall not be required to prepare the list of names described in C.R.S. 7-127-201.
- (i) Social get-togethers are not considered "Meetings" as described in this section. Matters brought up or discussed in social settings should be brought to the board in a meeting as defined in this section.

5. Proxies.

- (a) Votes allocated to a membership or property (a "Unit") may be cast pursuant to a proxy duly executed by a Member in good standing, but only one vote per Unit. If a Unit is owned by more than one person, each Member of the Unit may vote or register protest to the casting of votes by the other Members of the Unit through a duly executed proxy. A Member may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association or as otherwise provided below. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides a shorter term. Any proxy that does not appoint a specific agent (appointment line is blank) or any proxy that designates the property manager shall not be used for any purpose except to establish a quorum.
- (b) A Member may appoint a proxy by transmitting or authorizing the transmission of a telegram, teletype, or other electronic transmission providing a written statement of the appointment to the proxy, to a proxy solicitor, proxy support service organization, or other person duly authorized by the proxy to receive appointments as agent for the proxy or to the Association;

with written evidence from which it can be determined that the Member transmitted or authorized the transmission of the appointment.

- (c) An appointment of a proxy is revocable by the Member. Appointment of a proxy is revoked by the person appointing the proxy:
 - (i) Attending any meeting and voting in person; or
 - (ii) Signing and delivering to the secretary or other officer or agent authorized to tabulate proxy votes either a writing stating that the appointment of the proxy is revoked or a subsequent appointment form.
- (d) Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. A proxy shall not be valid if obtained through fraud or misrepresentation. The association is entitled to reject a proxy appointment if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the Member.

6. Voting.

- (a) Only those Members of a Unit who are in good standing are eligible to vote and only one vote is allowed per Unit. For purposes of this policy, the Board may suspend the Vote allocated to a Unit and the right of a Member to cast such Vote, or by proxy the Vote of another, during any period in which such Member is in default in the payment of any Assessment, or, after notice and a hearing, during any time in which a Member is in violation of any other provision of the Governing Documents.

Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. If an election or vote is to be held, the Member will be given the appropriate number of ballots, unless the voting rights have been suspended, in which case Members shall not be given ballot.

- (b) Any ballot for the contested election of directors shall be a secret ballot. At the discretion of the Board or upon the request of twenty percent of the Members who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Members are entitled to vote shall be by secret ballot. If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

- (c) Each voting Member is entitled to one vote per Unit on each matter submitted to a vote of the Members entitled to vote thereon. Cumulative voting shall not be allowed. The right to vote of any Member which is a corporation or unincorporated association may be exercised by such officer, agent or proxy as the bylaws, constitution or other governing instrument of such corporation or association may prescribe or, in the absence of such provision, as the board of directors of such corporation or association may determine.
- (d) If only one of the multiple Members of a Unit is present at a meeting of the association, such Member is entitled to cast the vote allocated to that Unit. If more than one of the multiple Members are present, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the Members. There is a majority agreement if any one of the multiple Members casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Members of the Unit.
- (e) The Association Secretary shall be in charge of providing secret ballots, which protect the voters' privacy, but also provide for the security of the election. Either the Association Secretary (unless said officer is a candidate), or the Managing Agent, or both, shall constitute a neutral third party to count the ballots. If no neutral party is available, the ballots may be counted by a committee of volunteers, who shall be Members selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the meeting, provided however, that said volunteers shall not be Board members and, in the case of a contested election, shall not be candidates.
- (f) The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Members participating in such vote.
- (g) As used in the Bylaws, the term "*majority of Members*" shall mean fifty-one percent (51%) of the combined votes cast by all Members present at a meeting containing a quorum.

7. Executive Sessions.

The Association's Board may meet in executive closed sessions to discuss matters pertaining to employees, the managing agent's contract, consultation with legal counsel, investigative proceedings concerning possible or actual criminal misconduct, matters which are subject to specific constitution and statutory or judicially imposed requirements protecting the proceedings, any matter of disclosure which would constitute an unwarranted invasion of individual privacy, and a review and/or discussion relating to any written or oral communication from legal counsel.

Prior to holding an executive session, the President or other person designated to preside over the meeting, shall announce the general matter of discussion as stated above. The Board will take no final action in executive session, but it may give direction to legal counsel therein. Any proposed Rule or Regulation discussed during an executive session may only be validly adopted only during a regular or special meeting, or after the Board returns from its executive session.

The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session. The Board Members and other members shall preserve attorney-client privilege regarding consultation and communications from legal counsel.

Effective date: January 1, 2013

A handwritten signature in cursive script, reading "Daniel W. Sargent". The signature is written in dark ink and is positioned to the right of the effective date line.

Exhibit C
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Board Member Code of Conduct

The Board of Directors (the "Board") of the Village at Peregrine Homeowner's Association (the "Association") has adopted the following Code of Conduct and Ethics (the "Code ") for members of the Board and for members serving on committees of the Association (hereinafter collectively referred to as "Directors") for internal use only within the Association. The goal of this Code is to encourage rather than mandate behavior, and this Code is not intended to deal with every situation that may arise.

The standards set forth herein shall only be enforced by the Board of Directors of the Association (the "Board"). Nothing in this policy will create any right or cause of action for any Member of the Association, express or implied. Directors are encouraged to bring questions to the attention of the President, who may consult with outside legal counsel as appropriate.

I Standards of Conduct

1. Directors are required to maintain full compliance with all governing documents of the Association, and to maintain full payment of assessments throughout their term on the Board in order to maintain their position on the Board.

2. Directors may be reimbursed for out-of-pocket expenses incurred on behalf of the Association, provided that the Board approves the expenses in advance, and the party seeking reimbursement submits receipts.

3. Directors may not interfere with contractual relationships between management professionals and contractors. Directors shall not attempt to directly supervise management company employees, unless the management contract authorizes such actions.

4. No promise or representation that has not been approved by a majority of the Board can be made to any person, contractor, subcontractor or supplier. Directors will not seek to have a contract implemented that has not been duly approved by the Board itself.

II Communication.

1 Directors may not represent the Board in written or verbal communications with members or other entities unless authorized by an affirmative vote of the majority of the Board. In any communication made outside of Board meetings, any individual Director shall always make it clear that the Director is giving his/her individual personal opinions (rather than positions of the Board), unless the Board, by vote, has delegated authority to that Director (usually the President) to speak on behalf of the Association.

2. Directors will address each other and homeowners with respect, and in a spirit of neighborliness, whenever possible, even when in disagreement, using face to face conversation for informal matters, and phone calls, emails, and letters for documentation for matters of record.

3. Directors will encourage the free expression of opinion by all Directors and seek systematic communications between the Board and all members of the Association. Directors will listen attentively and courteously to demonstrate respect and willingness to learn. Individual Directors will not harass, threaten, or attempt through any means to control or instill fear in another Director.

4. The language used at all meetings will be considerate and professional at all times. Directors will exhibit professional courtesy to all members of the Association and its management professionals. Personal attacks or use of profanity is prohibited.

5. Directors will treat all members of the Association evenhandedly and without favoritism. Differences of opinion about policy or procedures among board members, or between Directors and owners, will be discussed rationally on their merits, in a timely and courteous manner, and with emphasis on resolving differences.

6. Nothing in this section will prohibit or limit enforcement of this policy by the Board, nor will it interfere with the duty to hold fair and open elections, where all candidates will have an equal opportunity to express their views about any candidate.

III. Duty to use good business judgment

1. Directors will endeavor to have a basic working knowledge of the Association's governing documents, including the Declaration (Covenants), the By-Laws, and the Rules and Regulations.

2. Directors will also endeavor to be aware of laws affecting the Association, particularly the Colorado Common Interest Owners Act ("CCIOA") and its amending acts, and will listen to legal counsel to protect the Association from liability.

3. Directors shall represent the interests of the entire community in exercising their duties. All decisions made on behalf of the Association must be made with the best interests of the Association in mind, and will comport with these requirements:

(a) Would the Director make this same decision if he/she were not personally affected by the outcome?

(b) Has the Director done all necessary research to make an informed decision for the Association's benefit?

(c) Is the Director able to make an unbiased decision, without any conflicts of interest, personally or professionally?

4 Directors shall endeavor to secure facts before arriving at conclusions, and will endeavor to make policy decisions only after full discussion at publicly held Board meetings; and to make all decisions based on the available facts and independent judgment.

IV. Duty of Undivided Loyalty

1. Directors have a duty to act for the Association's benefit only and not for their personal benefit or the benefit of others. By assuming the office, the Directors acknowledge that the best interests of the Association must prevail over the Director's individual interest.

2. Directors will not use their position to enhance their financial or business position or undertakings; nor will any Director use their position to seek personal political advantage, or contribute Association funds or favors to any political party or political candidate; nor will any Director solicit or accept, directly or indirectly, any gifts, gratuity, entertainment, favor, entertainment, loan of any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association, or from any person whose intent it is to influence any decision or action on any official matter.

3. Directors will share all relevant information with other Directors and will devote sufficient time and reasonable care to their decisions. Directors shall not ever willingly misrepresent facts to the owners and residents, either by withholding, distorting or fabricating information.

4. Directors shall participate by voting on issues before the Board, abstaining only when a declared conflict of interest exists.

5. Directors who disagree with the Board as a whole have the right to voice their opinion, and to have their dissent reflected in the minutes of the meeting. However, once the Board has voted, it is each Director's duty to respect the authority of the Board by not undermining majority decisions or any enacted policy.

V. Conflict of Interest

1. The Board shall comply with all of Colorado's statutory provisions against conflicting interest transactions as found in the CCIOA and in the Colorado Revised Nonprofit Corporation Act. The term "*conflicting interest transaction*" is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and:

- (a) a Director; or
- (b) a party related to a director (a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling); or
- (c) an estate or trust in which the director or relative has a beneficial interest; or

(d) an entity in which a relative of a director, or officer, or has a financial interest.

2 Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy; and transactions that are of a general benefit to a group of homeowners that includes one or more directors shall not be considered a conflicting interest transaction.

3 Each individual Director is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Director shall not vote on such issue. Such disclosure should be reflected in the minutes of the meeting or other written form.

4 The individual Director with the conflict should not take part in the discussion and should leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Directors may ask the interested Director to remain during any portion of the discussion and/or vote, provided that the Director does not vote.

5 The above notwithstanding, at any Board meeting, a Director with a conflict of interest may be counted "*present*" for the purpose of determining whether a quorum exists; and the foregoing requirements shall not be construed as preventing the interested Director from briefly stating his or her position in the matter, nor from answering pertinent questions of other Directors, since his or her knowledge may be of great assistance.

6 The contract, Board decision or other Board action must be approved in good faith by a majority of the disinterested Directors. No contract, Board decision or other Board action in which a Director has a conflict of interest shall be approved unless it is commercially reasonable to (and/or in the best interests of) the Association.

7 Any contract or action in violation of this policy shall be brought to the attention of the remaining Directors for appropriate action and shall be declared void and unenforceable, unless the transaction:

- (a) the material facts of the conflict are disclosed or are known to the Board or to the members entitled to vote thereon; and
- (b) is approved or ratified in good faith by a majority of either:
 - (i) the disinterested directors; and/or
 - (ii) the Members of the Association; or
- (c) is fair to the Association.

8 Any contract entered into by the Association in violation of this rule can be declared void and unenforceable by the other Directors; and the interested Director shall be responsible for any damages arising from the failure to disclose the conflict.

9. No loans shall be made by the Association to any director or officer. If any director or officer assents to or participates in the making of such a loan, he or she shall be liable to the Association for the amount such loan until repayment is made.

10. The Board will update this Section V on a periodic basis, at least Annually

VI. Confidentiality

1. Directors will treat all information as confidential until there has been general public disclosure, or unless the information is part of the Association's records, or unless the information is a matter of public record (i.e., reported in the minutes) or common knowledge.

2. Directors shall maintain the confidentiality of information entrusted to them by the Association, and will not share highly sensitive, privileged or confidential information, and will respect the privacy of all owners, directors, committee members, employees and management professionals at all times, **including after the Director's term is expired or terminated** regarding any such knowledge learned during their term of office.

VII. Duty to enforce governing documents

1. Directors will enforce the Covenants as written. All actions of the Board will comply with the governing documents and the law, and Directors will only seek any desired changes to those governing documents through legal and ethical procedures. Directors will conduct reviews of governing documents to ensure legal compliance and to determine whether amendments are necessary.

2. Directors will enforce all rules (including architectural guidelines) uniformly, but only after seeking compliance on a voluntary basis. Proposals for new rules and guidelines will be furnished to all homeowners and residents in accordance with the Rulemaking policy of the Association. Once adopted, new rules and effective dates should be distributed to every owner and resident.

3. Directors will allow residents to bring grievances before the Board, and will follow the Covenant Enforcement Procedures that give residents the opportunity to correct violations before imposing fines or other sanctions.

VIII. Participation

1. Directors will endeavor to regularly attend scheduled meetings and to come prepared to meetings by reviewing the agenda and related materials before the meeting. At such meetings Directors will follow the manner of parliamentary procedure adopted by the Association in the Conduct of Meeting policy.

2. Any individual Director who has missed three (3) consecutive meetings, without an excuse for such absences (as accepted by the Board) shall automatically offer to resign their

position on the Board and be considered to be a vacant position .

IX. Actions for violations by board members

1. Complaints against any Director which allege conduct inconsistent with the foregoing provisions must be made in writing to the President of the Board. If the complaint is against the President, complaints will be submitted to the Vice-President.

2. The President (or Vice President) shall convene an executive meeting within thirty (30) days of receipt of a complaint to discuss the alleged activity with the complainant and the accused member. If any two Directors agree that sufficient information has been presented to identify another Director as having violated this code of conduct, the dispute will be submitted to due process.

3. As part of due process the Board shall attempt to gather all facts relevant to the alleged misconduct. Once the Board is satisfied that the information presented is sufficient to make a determination in the matter, the Board will excuse the complainant and the accused Director and decide (in executive session) what action, if any, may be appropriate to resolve the matter.

4. The Board shall issue its written finding with respect to the alleged misconduct within seven (7) days after the executive session is held. If it is determined that the Director is not in compliance with this policy, that Director will be given a reasonable period of time to become fully compliant (30 days). During the 30 day term to meet compliance, the Director's voting rights will be suspended and restored once compliance is verified by the Board.

5. If the Board finds that [a] [an intentional or willful] breach of the code of conduct was committed by a Director, the Board may impose appropriate sanctions, which can include the following:

- (a) censure or removal from a position as an officer of the Association;
- (b) fines for violations in accordance with the Schedule of Fines (usually in the Covenant Enforcement Policy);
- (c) for all expenses incurred by the Association in connection with the violation;
- (d) restricting access to sensitive information in the manner described in ¶ 6 below;
- (e) prohibiting the Association from hiring an attorney to defend the Director in any action, unless there is some other legal requirement to defend that action; and/or
- (f) removal from the Board (in cases where the Board has appointed the Director).

6. In any case where the violation is a breach of confidentiality requirements, the Board can thereafter bar that Director from executive sessions, provided that voting on any issues (except meetings with the attorney for the Association) shall still be in open session; or the Board can appoint a subcommittee of the Board to deal with the issues in executive sessions, and that subcommittee can then report to the full Board without giving full details of the subcommittee meeting.

7. As in the case of conflicts of interest discussed in Section V above, any Board decisions that are later determined to have been made as a result of improper action by a Director can be declared null and void.

8. The Association may require that all Directors sign a copy of this Code of Conduct to acknowledge that they have read and understand it and will comply fully with it.

Effective date: January 1, 2013

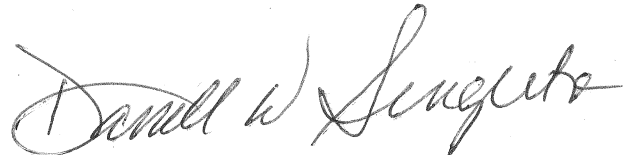


Exhibit D
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Procedure for Addressing Disputes

Section 1 Dispute Resolution.

The Village at Peregrine Homeowner's Association, Inc. (the "Association") hereby establishes procedures for addressing disputes arising between the Association and unit owners and between unit owners.

A. **Purpose.** The Association believes that the relationships in our community may be damaged whenever litigation is used in order to resolve disputes, and that the inherent problems in court proceedings make litigation a particularly inefficient means of resolving community disagreements. As a result, the Association has adopted this policy to encourage the use of alternative methods for resolving disputes.

B. **Goal.** In the event of any dispute between the Association and any Member and/or disputes between individual Members or Residents, if the situation does not involve unpaid assessments or an imminent threat to the peace, health, or safety of the community, the parties involved in the dispute are encouraged to attempt to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding.

C. **Policy.** At the Board's discretion, the Association may, but shall not be required to, submit any dispute between the Association and Member(s) to mediation, arbitration, or other alternative dispute resolution device; provided, however, that the Association reserves all rights to seek equitable and legal relief through any court having jurisdiction over the dispute. Nothing in this Bylaw shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the Association nor the Member waives any right to pursue whatever legal or other remedial actions available to either party.

Section 2 Procedure

A. Requesting Mediation. The Party wishing to resolve a dispute will provide each other Party to the dispute with a written Request describing:

- i. a description of the dispute, including the date, time, location and persons involved;
- ii. a description of the requested action or proposal that would resolve the dispute; and
- iii. times and dates that the requesting Party would be available to meet with the other Party to determine how to resolve the dispute.

B. Negotiation. The Parties will make reasonable efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all Parties.

C. Scheduling Mediation. If the Parties do not resolve the dispute by direct communication within 20 business days of the date of receipt of the Request, the Parties must begin efforts to schedule mediation with a trained, neutral mediator. In such cases the mediator will attempt to help the Parties reach an agreement, but will not make decisions for the Parties, and the Parties shall meet with the mediator within 60 days of the date of receipt of the Request.

D. Selecting a Mediator. The Parties shall select a mutually acceptable mediator within thirty (30) business days of the date of receipt of the Request. Each Party will provide the other Party with the name of at least one acceptable mediator. If the Parties cannot reach agreement on whom to select as a mediator, each Party shall select a representative, who will meet and appoint a neutral person to act as mediator. If those representatives are not able to agree, the Neighborhood Justice Center, attorney recommended by CAI, or mediation office in the basement of the El Paso County courthouse will act as mediator.

E. Scheduling Mediation. The parties will work with the mediator to establish the date for the mediation. The cost of mediation will be shared equally among the parties unless they agree otherwise.

Section 4 Failure to mediate or comply with Agreement or Award.

If either Party refuses to mediate or the Parties resolve any dispute through mediation, or arbitration, and a Party fails to abide by the terms of the agreement or Award, the other Party may use legal proceedings to compel mediation or enforce the agreement or Award. Additionally, the Party taking action to compel mediation or enforce the agreement or Award shall, if that Party prevails, be entitled to recover from the other Party all costs incurred in compelling mediation or enforcing the agreement or Award, including without limitation, attorney fees and costs.

Section 5 Negotiations during covenant enforcement.

In the event of any covenant enforcement matter, in addition to the use of mediation described above, the Member is invited and encouraged to meet with the Board of Directors of the Association (the "Board") to resolve the dispute informally and without the need for litigation. If the Member requests (or agrees) to meet with the Board for that purpose, the following procedure shall apply:

A. The primary purpose of covenant enforcement hearings before the Board is to resolve covenant enforcement matters as early as possible, without the expense of litigation. As a result, any Member or alleged violator who appears at a hearing is encouraged to discuss resolution in lieu of or in addition to the hearing.

B. If the Board believes that the Member or alleged violator is acting in good faith and that there is a realistic chance of resolution, the Board may reschedule the hearing and attempt to use the remainder of the time that was originally scheduled for hearing to attempt resolution. However, if at any time (before, during or after such a meeting), the Board, in its sole judgment, believes that delay will harm the interests of the Association, it may proceed with the hearing.

C. Any agreement made at such a meeting shall be described in writing, by way of the minutes of the meeting or separate correspondence, and shall be enforceable in accordance with Section [4] above.

Effective date: January 1, 2013



Exhibit E
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Covenant Enforcement Policy

This Rule shall apply to any alleged violation ("violation") of the Declaration, the Articles of Incorporation, the Bylaws and the Policies, Procedures, Rules and Regulations of the Village at Peregrine Homeowner's Association, Inc. (the "Association"), except and excluding non-payment of assessments or other sums, which is governed by Exhibit "A" of the policies of the Association.

I. Complaints

- (a) Initial complaints of any violation may be presented to the Board in writing or orally by any person before or at any meeting, and shall be investigated by an "impartial decision maker" (or "IMP") such as the Property Manager or Director(s) who will not receive a greater benefit or detriment from the outcome of an investigation than the general membership of the Association.
- (b) It is recommended that anyone observing a violation of these Covenants should notify the Association in writing or Email, and include the name and address (if known) of the person(s) in violation (the "alleged rule violator"), and the date, time, and location of the violation. Notification should include name, address and phone number of the reporting party. Reports will be handled confidentially (within reason or unless disclosure is legally required), but the Board may require such information in order to validate any necessary legal actions.
- (c) The IMP shall, in its discretion, determine whether or not the complaint shows cause for further proceedings and is empowered to send courtesy letters concerning reported violations and/or warnings of possible sanctions, fines and/or suspension of privileges, and/or issue a 'cease and desist' order, to the alleged rule violator. If the IMP is unable to convince the alleged rule violator that the offending practice should be ceased, then the IMP shall make a formal report to the Board. The Board shall not decide the validity of the complaint at such meeting, but rather shall notify the Director and shall set the matter for hearing at a later date (the "Notice").

2. Notice and Scheduling Hearings

- (a) The Board, or its officers or agents, may serve the Notice by personal delivery, regular mail and/or certified U.S. Mail, return receipt requested, to the Member, and a copy may be sent to the alleged violator (if the name has been furnished to the Association), such as a tenant, contractor, guest or family member of the Member (the owner of the property). The Notice shall be deemed received by the Member three (3) days after mailing. The Notice may be sent to the address of record (the address shown on the Deed) if the Member has failed to register a current mailing address. The Notice may also be sent to the complaining party.

- (b) The hearing shall take place at the next regularly scheduled meeting of the Board of Directors, which is posted, unless the Notice indicates a time and place of the hearing, and the Notice may indicate any other information regarding violation which the Board deems appropriate in its discretion.
- (c) Impartial Decision Maker. At the hearing, the Member has the right to have the matter heard by an IMP, such that any Director who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association will recuse themselves from acting as decision makers during any hearing. However, if that advisement is included in the Notice, the Member must furnish a written response describing the basis for asserting that any Directors would not be an IMP.
- (d) Any written statement from the Director must be received by the Board at least 24 hours before the hearing, and must be served by personal delivery or US Mail, postage prepaid, addressed to the Association in care of its registered agent, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing. Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing. If the Director plans to be represented by legal counsel, the Director must give the Board at least five (5) days prior written notice. If the time requirements set forth above conflict or the Board deems appropriate in its discretion, the hearing may be re-scheduled to the next regularly scheduled meeting of the Board of Directors. Any hearing or request for hearing shall not stay the other enforcement procedures described below, unless otherwise directed by the Board of Directors.

3. Hearing

- (a) The primary purpose of hearings before the Board is to resolve covenant enforcement matters as early as possible, without the expense of litigation. As a result, any owner or alleged violator who appears at a hearing is encouraged to discuss resolution in lieu of or in addition to the hearing. If the Board believes that the owner/violator is acting good faith and that there is a realistic chance of resolution, the Board may reschedule the hearing and attempt to use the remainder of the time that was originally scheduled for a hearing for the alternative dispute resolution described in Exhibit **D**. However, if at any time the Board, in its sole judgment, believes that delay will harm the interests of the Association, it may proceed with the hearing.
- (b) Hearings shall be conducted by Directors who are IMPs. As a result, any Directors who would receive a greater benefit or detriment from the outcome of a hearing than the general membership of the Association shall recuse themselves from acting as decision makers during any hearing. If disqualification of any Directors results in an even number of remaining Directors eligible to hear a case, the Presiding Officer may appoint an impartial Member in good standing to serve as a voting Director for that hearing.

- (c) Hearings shall be held in executive session because they may involve privacy and/or possible litigation issues. The Board may exclude any person other than the owner or alleged violator and witnesses, when testifying.
- (d) At the hearing, the Board may consider any written or oral information produced by the Member, the alleged violator or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the Member fails to appear or refuses to participate or to submit information. The Member may be represented by legal counsel so long as said owner gives the Board at least five (5) days prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witnesses and examine any documents presented at the hearing.
- (e) After hearing any information, witnesses, or documents presented at the hearing, the Board's decision shall be made by majority vote of the Directors present. If requested by the Member, the Board will furnish a brief summary of the decision and the sanction, if any, which may be sent by regular mail to the Member and, if requested or the Board deems it necessary, to the alleged violator. The Board may also issue and record a Notice of Finding of Violation with the County Clerk and Recorder, and release same upon satisfactory compliance with the Governing Documents.

4. Extent of Violations

Each incident or each day of a continuing violation shall be considered a separate violation for which any maximum fine may be imposed. For example, each day during which a pet or a sign is permitted to remain is a separate violation. The Board may in its discretion impose increased fines for repeated or intentional violations.

5. Parties to Violations

Owners of property located within the Association shall be responsible for violations committed by their contractors, guests, family members, and tenants. The Board may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding.

6. Fines and Sanctions

- (a) Any violation of the Governing Documents will subject the Owner to the fines shown next to the Rule (if any), or if none, to a fine assessment imposed by the Association as follows:
- First time or minor violations \$25
 - Repeated minor violations \$50
 - Repeated or flagrant violations between \$100 and \$500

In the event of a continuing violation, each day is a separate violation and a daily fine may be levied, but only if the Association's agent performs a daily inspection to verify the violation is continuing. Fines may not exceed \$1,000.00 for any finding of violation.

- (b) This schedule is not intended to cover all possible violations and there are instances where the amount of fines may vary depending on the circumstances. The amount of the fines are intended to bear a reasonable relationship to the actual harm that is being caused; the potential risk of loss to the Association if compliance does not take place; the costs of investigative demand letters and hearings to ensure compliance; and the cost of remedial measures (if used).
- (c) Repeat offenses and/or repeat offenders will justify higher fines. Fines should also be commensurate with the time and effort of the various Directors in investigating and gathering evidence of violations, sending demand letters and conducting hearings. The above schedule is (at most) an attempt in order to ensure uniformity for routine violations.
- (d) Fines will be due and payable within thirty (30) days of the date of the imposed fine, and shall be considered delinquent after the due date. A delinquent fine will result in a lien being filed on the property for nonpayment and will bear interest at eight percent (8%) per annum, calculated from the date of the fine, as well as late fees and legal fees.
- (e) Any fine will be both a personal obligation of the Member or the violator or both and shall also be an assessment creating a lien which may be recorded against the property that is subject to the lien (the "Lot") and may be foreclosed as provided in the Declaration. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine.
- (f) Any violation shall entitle the Board to recover from the Member or violator or both, its reasonable attorneys fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the Member's account with the Association.

Any violation shall entitle the Board to recover from the Member or violator or both, its reasonable attorneys fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the Member's account with the Association.

- (g) The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses, if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.
- (h) The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above schedule, if the Board determines that the fines set forth in the schedule are not likely to provide effective incentives to induce compliance.
- (i) Payment of an assessed fine does not relieve the violator from the responsibility of correcting the violation.

7. Other Enforcement Actions

If the actions described above do not cure the default, or in the event of emergency, health or safety reasons, the Association will thereafter have the right (but not the obligation) to undertake whatever actions are reasonably necessary to remedy such violation, including:

- A. The right to enter any portion of a Lot for the purpose of correcting the default, in which case the party performing such action shall not be liable for any losses, costs or damages to any tenant or Owner of any Lot on account of its performance of such action except for any such loss, cost or damage caused by the party's gross negligence or willful misconduct. Said right of entry shall include, but is not limited to, the right to make repairs, perform maintenance, remove any nuisance or otherwise undertake action to cure the breach or otherwise bring the Lot into compliance; and/or
- B. The right to file an action in any court of competent jurisdiction to evict any tenant in violation of these covenants or to obtain injunctive relief against any Owner or tenant, any of their agents, contractors or assigns, enjoining any activity which is in violation of the Covenant. If any such action is brought by the Association, it shall not be required to post any bond as a condition to the granting of any injunctive relief (including a preliminary injunction or temporary restraining order), nor shall the Association's right to such injunctive relief be affected by an arbitration provisions in any contract executed by such Owner, tenant or their agents.

8. Remedies for Failure to Pay Fines/Charges

In the event the Association elects to make repairs, perform maintenance or take other action pursuant to Sections 3 through 7 above, the Association will submit all charges incurred for same to the Member or persons responsible for the property upon which or for whose benefit such costs were incurred. If the Association's costs have not been paid after expiration of thirty (30) days after the date they become due, the Association may thereafter:

- (a) deny rights to use the recreational facilities, voting rights, or other rights of a member in good standing of the Association (including the right to notice of or to speak at meetings, and to inspect the records of the Association), for up to sixty (60) days provided, however, that there shall be notice and opportunity to be heard before loss of "good standing" for any reason other than failure to pay assessments, which there is no right to any hearing; and/or
- (b) record a lien against the Lot (including improvements thereon) for all fines and charges, as well as all costs (including reasonable attorneys' fees) incurred by the Association in collecting such costs and foreclosing upon the lien. This portion of any assessment lien shall be junior to all other liens or encumbrances of record with respect to the Lot on the date this lien is recorded. This lien may thereafter be foreclosed upon in the manner provided by Colorado law for foreclosing upon real estate mortgages. This lien shall provide all sums expended by the Association (including reasonable attorneys' fees) shall be additional indebtedness secured by the lien

9. Responsibility

Member(s) shall be responsible for violations committed by their guests, contractors, family members, agents or tenants. The Board may proceed against the Member, the individual violating the Covenants, or both, and may suspend the voting rights of said Member(s) for so long as a violation continues or the fines assessed pursuant to Section 6 remain unpaid.

10. Rights

All rights and remedies set forth hereinabove shall be in addition to, and not in lieu of, any other rights and remedies which any Member in good standing may have to personally enforce the Covenants. For purposes of this policy, the "good standing" of a member shall be based upon compliance with the Covenants, including but not limited to the payment of all assessments levied by the Association, including any fines levied for violations in accordance with the covenant enforcement policy of the Association; the Board reserves the right to waive this requirement on a case by case basis for purposes such as a member's right to a hearing before the Board. All such rights and remedies shall be cumulative, and the exercise of any one or more of such rights and remedies shall not be deemed an election precluding the exercise of any of the others.

11. Substantial Compliance

Technical irregularities or defects in the complaint, Notice or other compliance with this Rule shall not invalidate the proceedings or any fine or sanction imposed. This Rule shall be liberally construed to accomplish prompt, effective enforcement of the Association's Declaration, Articles of Incorporation, Bylaws and Rules.

12. Board Resolves Questions of Construction

If any doubt or questions shall arise concerning the true intent or meaning of any of the Covenant or these Rules, the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of El Paso County.

Effective date: January 1, 2013



Exhibit F
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Financial Planning and Procedures

I Accounting

1. The financial records of the Village at Peregrine Homeowner's Association, Inc. (the "Association") shall be maintained in accordance with the accrual method of accounting.
2. The Management Company will reconcile the Association's financial reports on a monthly basis and compare the income statement with the budget. The full Board shall review copies of the financial reports on a quarterly basis.
3. All financial reports shall include an aging report to identify outstanding accounts receivables. Accounts receivables shall be handled in accordance with the Assessment Collection Policy.
4. All invoices shall be reviewed and verified by Management, allocated in accordance with the approved budget or action of the Board. Any invoice for services for non-budgeted expenses in excess of \$100.00 shall be submitted to the Board for approval prior to payment.
5. The Board shall prepare payment of approved invoices prior to each monthly Board meeting. All invoices must be approved by a board member (other than the check signers) prior to payment.
6. The Board should solicit competitive bids for services and keep detailed meeting minutes and records, paying close attention to all fiscal matters including a maintenance log book on each common area in the Association containing all previous maintenance activities conducted, as best known, with a list of potential contractors of good standing.
7. Financial records will be reviewed by an independent accountant at least once every two years to ensure that generally accepted accounting principles (GAAP) are used.
8. The Association's permanent financial records shall be archived by the Management Company. These records shall be available to the membership in accordance with the Records Policy.
9. The Board shall provide homeowners with reasonably detailed summaries of budget and reserve information on an annual basis, with further information readily available.
10. The annual financial statement shall be available for review by owners. This report may be a review, a compilation, or an audit. If possible, a copy of this report should be available to all members of the association and posted on website. The board should publicize through the association newsletter that copies are available upon request.

II. Banking

1. All accounts of the Association shall be maintained in federally insured banking institutions. The total balance of accounts held at any one banking institution shall not exceed FDIC insurance provisions.

2. Assessments shall be deposited in separate accounts based on the allocation described in the approved annual budget. Contingency and replacement reserve funds shall be held in a separate accounts outside of the operating funds and shall not be commingled with operating monies.

3. A balance equal to approximately one month's expected expenses shall be maintained in the operating account, and the remaining balance will be held in a money market-type account yielding a higher rate of interest.

4. The president, vice president and treasurer of the Association shall be authorized to sign on the Association's accounts, but at least two board members' signatures must be required to gain access to reserves.

5. A record will be kept of all deposits which shall include a printout showing a breakdown of all checks deposited (per deposit) with the actual deposit slip attached. All checks shall be retained in the permanent record of the Association, including all voided checks, attached to the paid invoice or billing statement.

Reconciliation with the monthly bank statement shall be completed monthly by the Management Company, and verified by the full Board monthly. Verification must include a review of account balances on bank statements against bank balances on financial reports and a scan for anything unusual or outstanding for longer than 60 days.

7. The Management Company shall be authorized to serve as an authorized party to transfer funds by electronic transfer between the Association's accounts, but shall have no authority to withdraw funds from those accounts.

III. Investing Reserve Funds

1 The directors and officers of an Association must meet the standards of care required for Colorado non-profit corporations when investing reserve funds. Those standards require directors and officers to act:

(a) in good faith;

(b) with the care an ordinarily prudent person in a like situation would exercise under similar circumstances; and

(c) in a manner the director or officer reasonably believes to be in the best interest of the association.

2. In discharging this duty, directors and officers may rely on people who the directors or officers reasonably believe have professional or expert competence, such as property managers.

3 The board of directors shall establish the amount to be transferred to reserve funds on an annual basis. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.

4 The reserve funds shall be invested to achieve the following goals, in descending order of importance:

- A. Promote and ensure the preservation of principal;
- B. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
- C. Mitigate the effects of interest rate volatility upon reserve assets;
- D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest; and
- E. Minimize investment costs.

5 The board of directors may consider the following circumstances in investing reserve funds:

- A. General economic conditions;
- B. Possible effect of inflation or deflation;
- C. Expected tax consequences;
- D. Role that each investment plays in the overall investment portfolio;
- E. Other resources of the Association.

6 All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the board of directors as appropriate, and shall be reviewed at least once per year.

7 The President, Treasurer or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and

kinds of investments meeting the goals in paragraph 4; and to enter into agreements, controls and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of two of the aforementioned persons shall be required.

8 The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.

9 The Association's manager or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

IV. Planning/Budgeting

1. All proposed expenditures for the Association shall be reviewed by the Budget/Finance Committee (when appointed) and approved by the Board prior to implementation.

2. All committees shall be available to the membership in accordance with the declarations of the Village of Peregrine. The individual appointed to preside over any such committee shall meet the same qualifications as required by the governing documents to the board.

3. Budget items shall be assigned in the month during which the expenses are expected to be incurred by dividing total yearly expenses by 12 for each month of the year.

4. Contingency replacement reserves for unforeseen expenses and replacement of common facilities shall be included in the annual budget in accordance with Sections V and VI below.

V. Contingency Reserves

1 The contingency reserves of five percent of the assessment income shall be reserved to cushion the association's current operating expenses to be paid during the next twelve (12) months as a separate line item built into the Association budget as a precautionary measure. Items that can be covered by the contingency reserve budget include:

- legal expenses (e.g. uninsured litigation)
- utilities costs (e.g. unexpected rate increase)
- plumbing problems (e.g. emergency backups)
- pest control (unanticipated expenses, e.g. termites)
- snow removal (more snow removal than originally budgeted for)
- assessment arrearages (reduced cash flow)

2. In order to be charged against the operating reserve, an expense must be both unanticipated and extraordinary, the lesser of [\$500] or [one] percent ([1]%) of the budget. Before using the contingency reserve, the Board should always re-examine the budget and attempt to cover the expense by reallocating funds from one line item to another. The contingency reserve should not be used to cover ordinary budget overruns, or mid-year program decisions.

3. Withdrawals from any reserve account shall only be authorized by a two-thirds vote of the Board, following notice to all board members, such notice to include the amount and purpose of the withdrawal.

4. If a surplus exists in the contingency reserve at the end of the fiscal year, it may be carried forward into the next fiscal and added to the following year's contingency reserve. Rather, the following year's contingency reserve should be reduced so that the balance of the previous surplus and the next year's contingency reserve equals the required amount.

Effective date: January 1, 2013

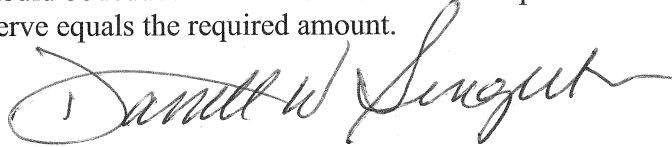


Exhibit G
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Records

1 Records

- (a) This policy describes the type of records maintained by the Village at Peregrine Homeowner's Association, Inc. (the "Association"), as well as the disclosure of such information on both a regular and on an on-going basis.
- (b) Each owner/member has both the right and the responsibility to know the information in the Governing Documents described below and for abiding by the standards for this Association, as set forth in the Governing Documents.
- (c) Notwithstanding the above, although members have important rights to information not available to the general public, member status does not (in and of itself) entitle an individual to unfettered access to all corporate information; members have less right to acquire information than do directors, and they cannot require the Association to create documents.
- (d) All rights under this policy are based upon the "good standing" of a member. Any member delinquent in the payment of assessments levied by the Association is automatically subject to loss of good standing without any right to a hearing in accordance with the Assessment Collection Policy. Members who have been found to be in violation of any of the Governing Documents in accordance with the Covenant Enforcement Policy are likewise subject to loss of good standing, but the Board reserves the right to waive this requirement on a case by case basis for purposes such as a member's right to a hearing before the Board.
- (e) For purposes of this policy, the "good standing" of a Director shall be based upon the same criteria as any Member (or owner) in the Association, but shall also be subject to the Board Member Code of Conduct policy on a case-by-case basis.
- (f) The scope of any inspection is limited to those books and records that are necessary and essential to accomplish the stated purpose of the written request. In no event will a request for inspection of corporate books and records be allowed to expose the Association to a fishing expedition. The right to inspection of records and minutes shall be limited if (in the judgment of the Board) there is a reasonable danger that the Association might suffer financially or there is a reasonable concern that an inspection request is so far-reaching as to impair the Association's ability to carry on its business.
- (g) In exercising its discretion to determine the good standing, good faith and proper purpose standards, the Board shall consider all the circumstances, including the higher fiduciary standards expected from Directors. In no event will production of the records of the Association be used to create a financial burden or otherwise harass the Association or

the unpaid volunteers who make up the Board of Directors, or otherwise compromise the financial security of the Association.

2 Board Members

All board members will have available to them all information related to the responsibilities and operation of the Association obtained by any other member of the executive board, including but not limited to:

- (a) reports of detailed monthly expenditures;
- (b) contracts to which the Association is a party; and
- (c) copies of communications, reports and opinions to and from any member of the Board or any managing agent, attorney or accountant employed or engaged by the Board to whom the Board delegates responsibilities.

3 Member Rights

Copies of the following documents will be made available to Members of the Association in good standing:

- i. Declaration of Covenants, Conditions, Restrictions and Easements for Village at Peregrine recorded on January 9, 1997 at Reception No. 097003188 of the records of El Paso County, Colorado (the "Declaration");
- ii. Articles of Incorporation;
- iii. Bylaws; and
- iv. Policies, Procedures, Rules and Regulations, and Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
- v. Minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
- vi. A record of Members in a form that permits preparation of a list of names and addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
- vii. Financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments in accordance with the Colorado Common Interest Ownership Act ("CCIOA");
- viii. Written communications within the past three years to Members generally as Members;

¹ These first four documents are hereinafter collectively described as the "*Governing Documents*".

- ix. A list of the names and business or home addresses of its current directors and officers;
- x. Its most recent annual report, if any; and
- xi. All financial audits or reviews conducted pursuant to CCIOA during the immediate preceding three years.

Subject to the exceptions described in Section 5 below, these documents may be made available by posting on the website, which may be password protected to permit access only by Members in good standing.

4 Annual Disclosure

The following information should be made available to Members of the Association in good standing within 90 days of the end of each fiscal year by posting on the Association's website, and by sending a notice (by email or first class mail) that the following information is available:

- i. The date of the Associations' fiscal year;
- ii. The Association's operating budget for the current fiscal year;
- iii. A list (organized by unit type) of the Association's current regular and special assessments;
- iv. The Association's annual financial statements;
- v. The results of any financial audit or review for the fiscal year preceding the current disclosure;
- vi. A list of all Association insurance policies;
- vii. The Governing Documents, including the date of recording and recording number of the Declaration;
- viii. The Board meeting and Member meeting minutes for the fiscal year immediately prior to current annual disclosures; and
- ix. The Association's responsible governance policies adopted under Section 38-33.3-209.5 concerning the following:
 - A. Collection of unpaid assessments;
 - B. Conduct of meetings;
 - C. Handling of conflicts of interest involving Board members;
 - D. Procedure for addressing disputes;
 - E. Enforcement of covenants and rules;
 - F. Investment of reserve funds;
 - G. Inspection and copying of Association records by Owners; and
 - H. Procedures for the adoption and amendment of policies, procedures, rules and regulations.
- xii. The name, address and phone number of the Association and its managing agent, if any.

5 Examination of Records

- (a) Members have the right to examine certain records of the Association. The Association has compiled certain documentation which will provide a Member with a wide variety of Association information. It is the obligation of every Member to hold this information in appropriate confidentiality so that information is not released to other parties.
- (b) Requests by Members to inspect documents must be made in good faith and for a proper purpose, in accordance with the principles outlined in Section 1 above. Requests must describe with reasonable detail what records are needed and the reasons for the request, and are subject to the procedure described in Section 6 below. Requested documents must also be relevant to the stated purpose for the request. To be deemed "*relevant*," the requested documents must directly pertain to the stated purpose. Members shall not exercise their inspection or copying rights in order to harass any other Member, nor for any commercial, illegal or improper purpose.
- (c) Requests for the Membership List described in Section 3(vi) above shall be limited to the names, addresses and number of votes of each Member; and copies of said list may not be obtained or used for any purpose unrelated to a Member's interests as a Member of the Association, and it may not be:
 - (1) Used to solicit money or property unless such money will be used solely to solicit votes of the Members in an election held by the Association;
 - (2) Used for any commercial purpose;
 - (3) Sold to or purchased by any person; or
 - (4) Used for any other purpose prohibited by law.

Any member requesting a membership list shall furnish a sworn statement to verify:

- (1) that he/she will not use the list for the purposes stated above; and
 - (2) that in the event the list is used for any improper purpose, he/she will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.
- (d) Notwithstanding the foregoing, certain information has been deemed "*not available*" to the general membership for review or reproduction without the express written consent of the Board. This information includes the following:
 - i. Files pertaining specifically to other homes;

- ii. Delinquent account information, unless requested by the owner responsible for said account;
 - iii. Attorney-client communications;
 - iv. Information involving pending or anticipated litigation or contract negotiations;
 - v. Information involving the employment, promotion, or dismissal of Association employees or other personnel;
 - vi. Documents related to investigate proceedings concerning possible or actual criminal misconduct;
 - vii. Documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;
 - viii. Documents which the Association is prohibited from disclosing to a third party as a matter of law;
 - ix. Inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations; and
 - x. Other privileged information.
- (e) The Association shall not be liable for the disclosure or copying of any materials which are required to be provided by statute or judicial proceeding. *The Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.*

6 Process for Requesting Examination and/or Copies of Records

- (a) Members who desire to examine and/or have copies made of Association records that are not posted on the website must make an appointment with the records custodian and submit the Document Request Form, which is attached hereto. The custodian, the Board of Directors or the Manager (hereinafter collectively referred to as the "custodian") shall review the request in accordance with the principles set forth in Section 1 of this Policy, and shall have discretion to deny requests (or to seek legal advice as to whether to deny requests) in appropriate cases.
- (b) Reasonable effort will be made to accommodate the Member within a reasonable period of time. When the appointment is made, the Member will be asked to designate the amount of time they want to reserve for the inspection. The custodian shall have discretion to (1) schedule the time and place; and (2) to require that records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board. Members shall not remove any document from the Association's records, nor shall they remove records from the Association's place of business..
- (c) If possible, the custodian shall make an appointment with the Member at a place and a time convenient to both parties to conduct the inspection. However, if the request requires the participation of unpaid volunteer board members, the time, place and length of inspections will be based upon the board member's schedule. All appointments for inspection will be limited to one (1) hour unless otherwise agreed by the board member; if additional time is needed, additional appointments will be made.

- (d) Certain records may be copied at the Member's expense. This cost will be only a copying charge if the Member designates such records for copying during the inspection by use of tab, clip, or Post-It note upon the pages desired. However, a Member may not otherwise alter the records (for example, no folding, pencil or pen marks, etc.). The custodian, on behalf of the Association, will make the copies, and may collect the estimated cost in advance.
- (e) In cases where Members request documents rather than inspection and the Association must locate the requested document(s), the Member requesting such copies shall reimburse the Association for the actual cost of that service, which may include labor and materials for research, locating and retrieval, as well as copying, which amount may be collected in advance.
- (f) Copies should be available within ten (10) working days of receipt of the request, unless the condition or voluminous nature of the records makes this time frame impractical. In such cases, the copies should be made available as soon as is practical.
- (g) Depending on the number of pages requested, the records custodian may request
 - (1) advance payment of the estimated cost of such copies; and
 - (2) that the Member return at a later date to pick up the requested copies, in order to allow personnel to set aside time to reproduce the documentation requested.
- (h) All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the Association's office where the inspection or copying is taking place.

7. Seller Disclosures

- (a) To the extent that sellers within the Association are required by law to disclose to their buyers certain documents of the Association, the Association shall cooperate with such requests in accordance with this Rule.
- (b) To request written copies of required Association documents, the seller or the seller's agent must follow the rules and procedures listed herein, including payment for the actual cost of the copying. If records are available on a website, the seller or seller's agent should use that website to obtain the documents.
- (c) The Association shall furnish to an Owner or such Owner's designee a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent. The statement shall be delivered within **14** calendar days after actual receipt of the request. The fee for the statement shall be the higher of \$150.00 or the management company's fee for such statements, unless

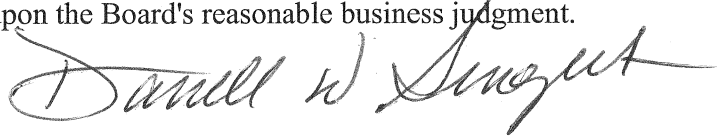
the Owner's account has been turned over to the Association's attorney; any statement for delinquent assessments shall be prepared by the Association's attorney and shall include any attorney fees incurred in providing the statement. In either case, such fee shall become an assessment against the property.

- (d) *The Association uses reasonable efforts to provide copies, but shall have no liability for the information provided, nor for compliance with any deadlines or other contractual requirements.*

8 Enforcement of Inspection and Copying Rule

- (a) Any violation of these rules shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply herewith, as well as other remedies such as fines. The Association's Board or its representatives may take any available legal action to enforce this Rule.
- (b) The Association will not honor any requests for inspection or copying that do not comply with this Rule, but the Association shall send a written notice to the person who made the request indicating the nature of any noncompliance.
- (c) Any Association representative who receives an oral request for inspection or copying shall refer the person making the request to this policy, and the Association or its representatives will have no further obligation to respond until it receives a written request.
- (d) The Association's Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.

Effective date: January 1, 2013



Village at Peregrine Homeowner's Association, Inc., Document Request Form

Name of Requesting Party: _____

Relation of Requesting Party to Owner: _____

Property Address: _____

Daytime Phone: _____ Email: _____

In order to facilitate your request, you need to specifically describe the documents that you want to inspect and/or copy. If the documents are listed in Sections 3 or 4 of the Records policy of the HOA, there is no charge to review same, but there is a copying charge. If documents are not on either list, there may be charges to locate same. If you want the HOA to locate and copy documents for you, you may be charged a search fee. As a result, your request should be as limited as necessary for your purpose and as specific as possible to save potential expense.

Check here if you want to examine documents and then list those documents:

Check here if you are requesting copies of specific documents that you want the HOA to locate (rather than searching the documents yourself); and list the requested documents:

I agree to pay the cost of copying (and the search fee, if any), as set by the Association's property manager, and that payment will be made at time of service, paid by certified funds or money order (no cash). _____ (initial)

I certify that my request to review the books and records of the Association is for a proper purpose related to my membership in the Association, and that this request is not for commercial purposes or my personal financial gain or for any solicitation, illegal or improper purpose. Specifically, my reason for wanting to review the books and records of the Association is as follows: _____

I understand that examination of books and records of this Association will be made available during normal business hours in accordance with state law at a time and place designated by the Association. I estimate that the inspection will require _____ hours. _____ (initial)

I agree that I am solely responsible for any legal liability or damages arising from or relating to their use of the information; and that the Association assumes no liability or responsibility for the information provided, nor its use or misuse, and that *the Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.* _____ (initial)

I agree that the requested information shall not be used for commercial, solicitation, illegal or improper purposes, and to indemnify the Association from any claims or expenses resulting from the use of such information, in the event the records provided to me by the Association are used for any improper purpose. _____ (initial). I agree that in such case I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law. _____ (initial)

Signature of Requesting Party: _____ Date: _____

Exhibit H
VILLAGE AT PEREGRINE HOMEOWNERS ASSOCIATION, INC.
Rulemaking Procedure

1. Authority. The board of directors of the Village at Peregrine Homeowner's Association (the "Association") shall have the authority to adopt policies, procedures and rules to the extent they do not conflict with the Declaration, Articles of Incorporation, and Bylaws of the Association (hereinafter collectively referred to as the "governing documents") in order to interpret, supplement and/or enforce the governing documents.

2. Board Resolves Questions of Construction. If any doubt or questions shall arise concerning the true intent or meaning of any of the governing documents the Board shall determine the proper construction of the provision in question, and shall set forth in a written statement the meaning, effect and application of the provision. These determinations will thereafter be binding on all parties so long as it is not arbitrary or capricious, and they may be filed for record with the Clerk and Recorder of El Paso County.

3. Notice to Membership. In any case where the Board is adopting a Rule that will carry a fine, the Association may give notice to the members of the Association prior to adopting the Rule. This announcement can be made in a newsletter and the owners should be told how they can obtain a copy of the proposed rule/policy (such as a posting the proposed rule/policy to a web site). The Association may invite comments from the Owners who cannot attend the planned meeting and those comments should be included in minutes, which should name those owners, describing their comments and the actions taken as a result of same.

4. "Rules" vs. "Policies". Notwithstanding the above, there is a difference between "*Rules*" and "*Policies*," even though both of these governing documents may be/are often combined into a single document or publication. Although both "*Rules*" and "*Policies*" are adopted at board meetings; "*policies*" are usually documented in the minutes; while "*Rules*" are sent to Owners after adoption, because the Owners are expected to comply (and can be fined if they fail to comply); by comparison, "*policies*" do not require notice because policies do not require any action by the Owners, and there are usually no fines for failure to comply. Notwithstanding the above, the Board may elect to combine policies and rules in one publication in order to consolidate interpretations that the Board has made.

5. Open Meetings. Rulemaking meetings shall be conducted in public session. The board will review written comments from members who could not attend the meeting, and shall take comments from the members in public session; the Board may then go into executive session as part of the deliberation process, but the Board must come back into open meeting for the final vote to adopt a Rule or policy. The Board shall consider the following criteria for adopting or amending a policy, procedure or rule:

- a. Reasonableness and necessity;
- b. Equal treatment of Members/Owners;

H-1

- c. Clear and unambiguous;
- d. Preservation, protection and enhancement of property values, and
- e. Consistent with Governing Documents and applicable law.

6 Publication. Policies and procedures shall be effective upon adoption by the Board, and Rules shall be effective fifteen days after sending Notice of the adoption, amendment or repeal of any Rule, in writing, to each Owner. This can ordinarily be accomplished by giving Notice in a newsletter and publication of the Rules by posting to the website.

Effective date: January 1, 2013

